if we first get a clear idea of what we mean by capital.

On the subject of the definition of capital, economists differ with all the consistency that they only show in differing. One of the earliest descriptions of capital was given by Turgot, who thought that capital meant " valeurs accumulees." In this wide sense the word covers all goods which have value, that is, can be exchanged into other goods. From this point of view, the schoolboy who invests sixpence in marbles is a capitalist, because he has bought an asset which is not immediately consumed, but can, later on, if his fancy urges him, be exchanged into white mice or any other object of his desire. On the other hand, the schoolfellow who at the same time spends sixpence on cherries and eats them has put his money into immediate consumption, his asset is digested, and he has no capital in any sense of the word.

Later, the definition was narrowed by John Stuart Mill, for instance, into the sense of wealth set aside to increase production. From this point of view capital practically means the equipment and tools of industry in the widest sense of the word, including agriculture and transport. Lately economists have shown a tendency to go back to the wider application of the word, and an American economist, Dr Anderson, who has just published a book on the Value of Money, goes so far therein as to state

that a " dollar is capital/' The language of the City generally uses the word in the narrow sense adopted by Mill, and there is very much to be said for this view of the